



## City of Santa Clara

### Residential Development—

### Parkland Dedication, Credits & Fees In-Lieu

#### **Background.**

On July 15, 2014, the City of Santa Clara adopted Ordinance No. 1928 adding Chapter 17.35 (Park and Recreational Land) to Title 17 (Development) of the City Code, to ensure that new residential development provides adequate park and recreational land and/or pays a fee in-lieu of dedication in order to mitigate the impacts of the new growth. The ordinance requires parkland dedication and/or an in-lieu on new residential developments pursuant to the Quimby Act and the Mitigation Fee Act (“MFA”). Fees are reviewed and set by City Council Resolution annually. The fee Resolution for Fiscal Year 2014-2015 was passed by Council on October 14, 2014.

#### **What is the purpose of Chapter 17.35?**

Chapter 17.35 helps the City acquire and develop adequate public parkland to meet the additional demand generated by new residential subdivision and new non-subdivided residential projects. The Quimby Act authorizes the City to impose a parkland dedication requirement, and/or fee in-lieu of parkland dedication, based on 3 acres of parkland per 1000 residents. Pursuant to the Mitigation Fee Act, for residential development not involving a subdivision (such as an apartment building), the City will calculate the land dedication requirement, and/or fee in-lieu of parkland dedication, based on the existing City parkland standard, which is 2.53 acres per 1000 residents.

#### **What developments ARE affected by Chapter 17.35?**

For residential subdivisions not involving a subdivision, and for subdivisions greater than 50 parcels/units, options for developers include the dedication of parkland, an in-lieu fee, or a combination of public parkland and the fee. For subdivisions of 50 units or fewer, only the fee in-lieu of land dedication will be required.

#### **What developments are NOT affected by Chapter 17.35?**

- Convalescent hospitals and similar dependent care facilities.
- Residence halls on the campus of a college or university.
- Accessory Dwelling Units, as defined by the Zoning Ordinance (18.06.010).
- Commercial or industrial subdivisions that involve no residential component.

#### **How is the parkland requirement calculated?**

The formula for determining the required acreage to be dedicated is:

- (a) The Average Density standard for the specific Dwelling Unit Category; multiplied by
- (b) The Parkland Dedication Standard; divided by
- (c) 1000 Population; multiplied by
- (d) The Number of dwelling units

Example 1 (a subdivision): The Average Density for a single-family detached dwelling unit is 2.9 persons per household, and the Quimby Parkland Dedication Standard is 3.0 acres per 1000 residents. For a single-family detached unit, the required acreage would be  $2.9 \times 3.0/1000 = 0.0087$  acres per single-family detached unit. If multiplied by 100 Dwelling Units = 0.87 acres of public parkland required for a 100 unit development.

Example 2 (an apartment building): The Average Density for a multi-family detached dwelling is 2.24 persons per household; and the Mitigation Fee Act dedication standard is 2.53 acres per 1000 residents. For a multi-family detached dwelling, the required acreage would be  $2.24 \times 2.53/1000 = .0057$  acres per multi-family detached unit. If multiplied by 100 Dwelling Units = 0.57 acres of public parkland required for a 100 unit development.

### **How are fees in-lieu of parkland dedication calculated?**

When a fee is required to be paid in-lieu of parkland dedication, the fee is based on a “100% cost recovery” formula that uses the value of an acre of land in the particular development’s ZIP Code area (95050, 95051, 95054), the amount of land required to be dedicated, improvement value (public park system) and allowable administrative costs. The date of valuation of the property for an in-lieu fee will be the date that the City determines that the developer’s application “is complete.” For current year fee calculations see tables “A,” “B,” and “C.”

### **When are both parkland dedication AND fees required?**

As discussed above, certain developments require only the payment of a fee. The following developments are subject to a land dedication requirement, a fee, or a combination of the two at the City’s discretion.

- In subdivisions of over fifty (50) parcels of land;
- In condominium developments of more than fifty (50) dwelling units;
- In residential developments not involving a subdivision;

Note that the sum of the parkland to be dedicated and amount of in-lieu fees paid shall equal the total amount of parkland otherwise required.

### **How can a project qualify for private open space credits?**

Developers may submit a written request with the project application for a credit of up to 50% against the requirement of land dedication or fees in-lieu thereof required by the ordinance, provided the City finds that the park space and recreational amenities comply with the specific conditions set forth in Chapter 17.35 of the City Code.

*The City encourages developers to submit preliminary ideas, questions and schematic plans for Parks and Recreation Department review early in the planning process in order to maximize the residential benefits and uses of private open space to find acceptable ways to meet requirements for credit approval.*

To qualify for credit, *one (1) acre of public park space must first be dedicated*; then the private open space in a new development must contain at least four (4) of the following eight (8) elements:

- (1) One-half (0.50) acre of play field;
- (2) Children's play apparatus;
- (3) Landscaped and furnished, park-like quiet area;
- (4) Recreational community gardens;
- (5) Family picnic area;
- (6) Game, fitness or sport court area;
- (7) Accessible swimming pool (minimum size 42' x 75') with adjacent deck and lawn areas;
- (8) Recreation center buildings and grounds.

The above elements must equal a minimum of .75 acres of private open space. The calculation of private open space shall not include features required to be included by zoning and building codes and other applicable laws, i.e., yards, court areas, setbacks, decorative landscape areas. Facilities proposed for the open space shall be in substantial compliance with the provisions of the Parks, Open Space, and Recreation Goals and Policies of the General Plan. The developer shall supply a covenant to maintain the private open space to the City Attorney prior to approval of the final subdivision map.

Housing developments in which 100% of the units are affordable to low-and/or moderate-income households, and senior housing developments are eligible for an additional 15% credit toward the parkland dedication requirement or fees in-lieu.

#### **When do these parkland dedication and fee requirements apply?**

For projects involving a subdivision, the dedication and fee requirements apply to any applications that were not yet "deemed complete" as of September 13, 2014. Projects with applications already "deemed complete" prior to September 13, 2014 are exempt from the fee and dedication requirements. For residential projects not involving a subdivision, the dedication and fee requirements will become effective on December 13, 2014.

#### **What did the annual survey of land values and sales data indicate?**

The average land value City-wide as reported in the Park and Recreational Facilities Development Impact Fee Study (Nexus Study) prepared by Willdan Financial Services, Inc. was \$3.977 million per acre (\$91.30/sf). The follow up competitive market analysis survey of all properties sold and recorded with the Santa Clara County Tax Assessor's Office within the City of Santa Clara between January 1, 2013 and December 31, 2013 included all property types and ZIP Code areas. The data included property type (i.e. single family, multi-family, commercial, industrial, and lots/land), address, ZIP Code, Assessor Parcel Number (APN), parcel size, Assessor's land value, improvement square footage, improvement value, Assessor's total valuation, and recorded sale price. Relevant groupings (ZIP Code areas) and units of comparison

(per square foot values) were made. Based on analysis of the survey, the average per acre land value for each ZIP Code area for calendar year 2013 was: \$3.299 million per acre (\$75.72/sf) in 95050; \$3.394 million per acre (\$77.91/sf) in 95051; and, \$5.671 million per acre (\$130.18/sf) in 95054.

Using the 2013 survey of land values and maximum values justified in the Nexus Study, Tables A, B and C provide a summary of the fee amounts for each ZIP Code area by housing unit type identified in the Ordinance (Single Family and Multi-Family). The fees applicable to a particular project will depend upon whether the new residential housing development is subject to the Quimby Act (Quimby) or the Mitigation Fee Act (MFA).

**Where can I find more detailed information?**

The City's parkland dedication requirements are in the Title 17 Chapter 35 of the Santa Clara City Code. [Click here](#) to read Chapter 17.35. [Click here](#) to read the FY2014-15 Fee Resolution.

<b>Table A</b> <b>FY2014-15 New Residential Housing Impact Fee Schedule</b> <b>95050</b>				
<b>Applicable Fee Type</b>	<i>Calculation</i>	<b>Quimby</b>	<b>MFA</b>	
95050 Average \$/Acre (2013 Survey)	<i>A</i>	\$3,299,000	\$3,299,000	
Park Acres/1000 Pop. LOS Standard	<i>B</i>	3	2.53	
Total Cost per 1,000	$C = A \times B$	\$9,897,000	\$8,346,470	
Cost per capita	$D = C/1000$	\$9,897	\$8,346	
Density Single Family (Nexus Study)	$D \times 2.9$	\$28,701	\$24,203	
Improvements (Nexus Study)	$\$807 \times 2.90$	\$2,340	\$2,340	
Admin Charge (Nexus Study)	<i>0.02</i>	\$621	\$531	
<b>Total Single Family (SF) Dwelling Fee</b>		<b>\$31,662</b>	<b>\$27,074</b>	
Density Multi Family (Nexus Study)	$D \times 2.24$	\$22,169	\$18,695	
Improvements (Nexus Study)	$\$807 \times 2.24$	\$1,808	\$1,808	
Admin Charge (Nexus Study)	<i>0.02</i>	\$480	\$410	
<b>Total Multi Family (MF) Dwelling Fee</b>		<b>\$24,457</b>	<b>\$20,913</b>	

<b>Table B</b> <b>FY2014-15 New Residential Housing Impact Fee Schedule</b> <b>95051</b>			
<b>Applicable Fee Type</b>	<i>Calculation</i>	<b>Quimby</b>	<b>MFA</b>
95051 Average \$/Acre (2013 Survey)	<i>A</i>	\$3,394,000	\$3,394,000
Level of Service Standard	<i>B</i>	3	2.53
Total Cost per 1,000	$C = A \times B$	\$10,182,000	\$8,586,820
Cost per capita	$D = C / 1000$	\$10,182	\$8,587
Density Single Family (Nexus Study)	$D \times 2.9$	\$29,528	\$24,902
Improvements (Nexus Study)	$\$807 \times 2.90$	\$2,340	\$2,340
Admin Charge (Nexus Study)	$0.02$	\$637	\$545
<b>Total Single Family Dwelling Fee</b>		<b>\$32,505</b>	<b>\$27,787</b>
Density Multi Family (Nexus Study)	$D \times 2.24$	\$22,808	\$19,234
Improvements (Nexus Study)	$\$807 \times 2.24$	\$1,808	\$1,808
Admin Charge (Nexus Study)	$0.02$	\$492	\$421
<b>Total Multi Family Dwelling Fee</b>		<b>\$25,108</b>	<b>\$21,463</b>

<b>Table C</b> <b>FY2014-15 New Residential Housing Impact Fee Schedule</b> <b>95054</b>			
<b>Applicable Fee Type</b>	<i>Calculation</i>	<b>Quimby</b>	<b>MFA</b>
Average \$/Acre (Nexus Study 2014)	<i>A</i>	\$3,658,000	\$3,658,000
Level of Service Standard	<i>B</i>	3	2.53
Total Cost per 1,000	$C = A \times B$	\$10,974,000	\$9,254,740
Cost per capita	$D = C/1000$	\$10,974	\$9,255
Density Single Family (Nexus Study)	$D \times 2.9$	\$31,825	\$26,840
Improvements (Nexus Study)	$\$807 \times 2.90$	\$2,340	\$2,340
Admin Charge (Nexus Study)	$0.02$	\$683	\$584
<b>Total Single Family Dwelling Fee</b>		<b>\$34,848</b>	<b>\$29,764</b>
Density Multi Family (Nexus Study)	$D \times 2.24$	\$24,582	\$20,731
Improvements (Nexus Study)	$\$807 \times 2.24$	\$1,808	\$1,808
Admin Charge (Nexus Study)	$0.02$	\$528	\$451
<b>Total Multi Family Dwelling Fee</b>		<b>\$26,918</b>	<b>\$22,990</b>

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